

4th December 2017

Community, Health and Housing Committee

Contract Re-Procurement

Report of: *Angela Abbott - Interim Head of Housing*

Wards Affected: *All Wards*

This report is: *Public*

1. Executive Summary

- 1.1 In 2014, Brentwood Borough Council entered into two contracts with Oakray and Wates to carry out repairs to Housing Stock. These contracts are due to expire in 2019.
- 1.2 Brentwood Borough Council wishes to enter into one contract through a re-procurement exercise.

2. Recommendation(s)

- 2.1 That the Committee note that Housing Services will be entering into a re-procurement exercise in relation to repairs and maintenance contracts.**
- 2.2 That the Committee agree to cross party working groups throughout the procurement process.**
- 2.3 That Committee does now agree the members that are to be included in the working group.**
- 2.4 That a full schedule of working group dates are published in advance to members of the Working Group and that consideration is given to timings suitable for member attendance.**

3. Introduction and Background

- 3.1 In 2014, Brentwood Borough Council entered into two contracts for repairs and maintenance to Housing Stock. Oakray to be responsible for heating and electrical and Wates to be responsible for general repairs.

- 3.2 These contracts were for an initial five-year term with the option to extend by a further five years.
- 3.3 The initial five-year period is due to expire in June 2019.
- 3.4 In September 2014, Housing Services began a Transformation Project to streamline and update all procedures relating to Housing Services.
- 3.5 The repairs review recently began and it has become evident that the current set up on contracts is not as effective and manageable as it could be.
- 3.6 The contracts are not proving to be cost effective.
- 3.7 As the initial five-year term is nearing an end. Housing Services would like to take this time to re-procure to ensure value for money with the repairs and maintenance service.

4. Issue, Options and Analysis of Options

- 4.1 There are two options available to Housing Services in relation to the Repairs and Maintenance Contracts

Option 1: To engage in a further five-year term with both Wates and Oakray has been explored.

Option 2: To engage in a re-procurement exercise to have one repairs and maintenance contract.

- 4.2 Option 1 - has been dismissed due to multiple issues in the management of two contracts such as duplication of overheads, administration and associated extra costs, multiple contractors requiring access to one property to conduct works at the same time, confusion for Tenants as it is not always clear which contractor should be conducting works in their properties.
- 4.3 Option 2 - to enter into re-procurement, will allow the Council to demonstrate value for money, develop a more manageable contract and to eliminate any confusion for residents when repairs are required.
- 4.4 For the reasons outlined above, Housing Services will be pursuing Option 2.

5. Reasons for Recommendation

- 5.1 As a responsible landlord it is important that the Council demonstrates that it has vigorously explored and pursued the best services for our customers.

- 5.2 The current contracts present many issues for the management and other more cost-effective options are available by re-procuring into one contract.

6. Consultation

- 6.1 Tenant Talkback, which comprises of both tenants and leaseholders have been consulted on the two options available. A presentation by the appointed procurement consultant was undertaken on the procurement process and experiences of the two options.

7. References to Corporate Plan

- 7.1 To review the future delivery of Housing Services to provide the best outcomes for Brentwood residents.
- 7.2 Look to reduce costs by streamlining services and processes.

8. Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Finance Services Manager and Deputy Section 151 Officer

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- 8.1 Costs will be incurred for the Consultants to facilitate the procurement.
- 8.2 Costs for officer time.

Legal Implications

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- 8.3 None as the procurement process will be undertaken by a procurement consultant who will ensure the correct procurement processes are followed.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.4 Section 20 consultations with leaseholders will be required.

- 9. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

9.1 None

10. Appendices to this report

10.1 None

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